

30 May 1994

The Honourable Jeff Kennett MP
Premier of Victoria
1 Treasury Place
EAST MELBOURNE 3002

Dear Premier,

The purpose of this letter is to seek your support for new co-operatives legislation in Victoria. As a former Minister for Housing, you will be aware of the importance of co-operatives to the Victorian economy.

Co-operatives are the dominate form of corporate structure in the processing of dairy and fruit products, and the marketing of eggs, fertilisers, seed, venison and wool. They also assist many Victorian small businesses achieve economies of scale in the marketing and the purchase of goods and services.

The legislation that governs Victorian co-operatives is in need of reform. Since the last review in 1981, significant changes have occurred in corporations law, and credit co-operatives have transferred from the Co-operation Act to the Financial Institutions (Victoria) Code. Outdated regulations and government approvals required under the Act also inhibit the efficient operation of co-operatives.

Victorian co-operatives have been frustrated over the broken promises of the Labor government in introducing positive reforms. Whilst the Co-operatives Bill introduced by the former government in August 1992 included many reforms sought by co-operatives, it contained serious defects that would have severely weakened the co-operative sector if the bill had become law.

The Federation welcomes the review of the Co-operation Act by your Minister for Fair Trading. We are particularly grateful to the Minister for inviting the Federation to submit proposals to improve the legislation.

Your government has a unique opportunity to prepare the best co-operatives legislation in Australia. For co-operatives to remain relevant into the next century, we need legislation that will foster the development and growth of co-operatives in Victoria.

Yours faithfully

John Gill
CHAIRMAN